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State Dept. asks NSC constraints after Iran 'affair'

Official also questions Reagan on terror status

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WASHINGTON — In a serious escalation of the public warfare between the State Department and the White House over U.S. arms shipments to Iran, the second-ranking State Department official urged yesterday that limits be placed on the National Security Council and questioned President Reagan's assertion that Iran is no longer promoting terrorism.

In wide-ranging and unusually candid public testimony before the House Foreign Affairs Committee, John C. Whitehead, the deputy secretary of state, also said that the State Department was still largely uninformed on details of the Iran arms operation; that the arms shipments seriously undermined U.S. credibility in the fight against international terrorism; and that the president had been "poorly advised" by supporters of the secret arms shipments.

Mr. Whitehead made it clear that he fully supported his boss, Secretary of State George P. Shultz, who has maintained that he opposed the operation and that he was kept in the dark on most of its details.

And, responding to reports that some Reagan allies are urging the ouster of Mr. Shultz, Mr. Whitehead said it would be "a terrible tragedy if his [Mr. Shultz's] position became a casualty of this whole affair. . . . He

can bring the forward movement that leads us out of this."

Although Mr. Shultz has spoken openly of his opposition to the arms shipments, the testimony of Mr. Whitehead — who appeared at the direction of Mr. Shultz as a last-minute replacement for the third-ranking State Department official — was extraordinary in the bluntness of its criticism of another agency of the executive branch, the National Security Council. The NSC directed the secret operation in conjunction with the Central Intelligence Agency.

"Some review of NSC functions is desirable," Mr. Whitehead told the committee. "We in the State Department find it difficult to cope with

NSC operational activities. . . . We have concerns particularly when we don't know about it."

Elaborating to reporters after the hearing, Mr. Whitehead said, "Everything they [the NSC] do, we should know about. When anybody gets involved on behalf of the U.S. government and the State Department doesn't know about it, it puts the State Department in an awkward position."

The NSC was originally established as an advisory panel within the executive branch, but its staff has assumed an active role in both the Iran arms operation and in helping private groups direct aid to "contra" rebels in Nicaragua.

In the aftermath of both activi-

ties, many members of Congress have called for a review of the NSC operation and for possible legislative restraints, including Senate confirmation of the president's national security adviser, who is not now subject to confirmation.

Mr. Whitehead also disputed President Reagan's statements that Iran has refrained from terrorist activities since the secret contacts between the United States and Iran began 18 months ago, and he questioned whether the U.S. overtures had led to the release of three Americans who were being held hostage in Lebanon.

"I don't like to have to differ with my president, but I believe there is some evidence of Iranian involvement with terrorists," Mr. Whitehead said. And, he said, the three Americans "might have been released anyhow," without the U.S. efforts.

However, Mr. Whitehead urged lawmakers to support the president now, even though the Iran arms operation "didn't work" and even though "the prospects don't look very bright" for improved relations with Iran.

"He may have been poorly advised," Mr. Whitehead said of the president, but "it's very important we maintain his credibility."

However, Mr. Whitehead and Richard Murphy, assistant secretary of state for Near East and South Asian affairs, acknowledged that the credibility of the U.S. anti-terrorism

effort had been undermined by the Iran arms operation.

Representative Dan Mica, D-Fla., who heads a subcommittee on anti-terrorism, said he was "embarrassed" and felt "betrayed" because anti-terrorism efforts had been damaged and because the State Department had become "nothing but a crying towel."

Under questioning by committee members seeking details of the Iran arms operation, Mr. Whitehead repeatedly replied that he had no information, even on matters that have been reported in the press for more than a week.

He said that Mr. Shultz was involved in discussions of the arms operation before Mr. Reagan made a final decision to proceed, and that once the decision was made, the secretary was given minimal information "spasmodically and intermittently."

Representative Lee Hamilton, D-Ind., a member of the Foreign Affairs Committee and chairman of the House Intelligence Committee, said yesterday that even in private briefings, administration officials, including CIA director William J. Casey, provided few details to lawmakers.

"I think there is a lot Mr. Casey doesn't know, probably. This operation was run from the NSC, basically," Mr. Hamilton said, adding that congressional committees want to call "hundreds of witnesses" in continuing efforts to find out more about the operation.